

MINUTES OF THE MEETING
OF THE
MICHIGAN STATE UNIVERSITY
BOARD OF TRUSTEES

June 13, 1997

The Trustee Finance Committee and Trustee Policy Committee of the Whole meetings were held in the Board Room of the Administration Building beginning at 9:00 a.m. on Friday, June 13, 1997. Minutes of the meetings are on file in the Office of the Secretary of the Board of Trustees.

President McPherson called the meeting of the Board of Trustees to order at 10:10 a.m. in the Board Room.

Trustees present: Dolores M. Cook, Joel Ferguson, Colleen McNamara, Donald W. Nugent, John D. Shingleton, Bob Traxler, and Robert E. Weiss.

Trustee absent: Dorothy Gonzales.

University officers present: President McPherson, Provost Simon, Secretary Pogel, Vice President and General Counsel Noto, Vice Presidents Denbow, June, Webb, and Wilkinson, Acting Vice President Gast, and Executive Director Williams. Faculty Liaison representatives present: Ludmilla L. Litus, Maureen McDonough, and Pamela Pommerenke. Student Liaison representatives present: Kevin Harding, Precios Johnson, Chad Smith, and Tim Tesmer.

All actions taken were by unanimous vote of the Trustees present, unless otherwise noted.

1. On a motion by Ms. Cook, supported by Mr. Shingleton, **THE BOARD VOTED to approve** the proposed agenda.
2. On a motion by Ms. Cook, supported by Mr. Shingleton, **THE BOARD VOTED to approve** the minutes of the April 11, 1997 Board meeting.

3. President's Report

President McPherson commented on the recently released report of the Blue Ribbon Panel on the Lansing School District. He said the report is reflective of a commitment to the community and to urban issues, especially K - 12 issues.

4. Guiding Principles Report

In the absence of Vice President Greenleaf who was away on University business, Provost Simon introduced Vice Provost Paul Hunt to demonstrate some new uses of the World Wide Web at MSU. The presentation included accessing an electronically assisted graduate application that was developed by the offices of Admissions and Scholarship, the Graduate School, and Enrollment Services. Dr. Hunt reported that such MSU Web activities cross all six Guiding Principles, but especially Make People Matter and Advance Diversity.

5. There were no requests to address the Board of Trustees on issues germane to the agenda.

6. Personnel Actions

Provost Simon presented the following Appointments, Other Personnel Actions, and Promotion and Tenure Actions.

A. Appointments

- 1) Guthrie, Danny L., AY-Associate Professor, Department of Art, \$50,000, with Tenure, effective August 16, 1997.
- 2) Shields, Michael D., AY-Eli Broad Professor of Accounting, Department of Accounting, \$113,000, with Tenure, effective August 16, 1997.
- 3) Mercuro, Nicholas, AY-Professor, Dean's Office, College of Natural Science; Center for Integrative Studies-General Science, \$70,000, with Tenure, effective August 16, 1997.

President's
Report

Lansing School
District Blue
Ribbon Panel

Guiding
Principles
Report

Public
Participation
Germane to Agenda
- None

Personnel Actions

Appointments

June 13, 1997

Personnel Actions
continued
Other Personnel
Actions

6. B. Other Personnel Actions

- 1) Stewart, Gordon T., AY-Professor, Department of History, to add title of Acting Dean, College of Arts and Letters, effective July 1, 1997; and for a change from an academic year appointment basis to an annual appointment basis at a salary rate of \$97,718, effective August 16, 1997.
- 2) Jacobs, Allen W., Acting Dean, College of Osteopathic Medicine; Professor, Department of Osteopathic Manipulative Medicine, to change title to Dean, effective May 1, 1997, at a salary rate of \$145,000, effective July 1, 1997.
- 3) It is recommended that the following executive management positions be established, effective June 13, 1997:

Director of Benefits
Director of Investments and Trusts

It should be noted that these are not additional positions, but replacements for existing administrative positions.

Further, it is recommended that appointment approval and all other personnel actions related to these positions be delegated to the President with the authority to redelegate in accordance with the plan for redelegation filed with the Board of Trustees.

4) Promotion and Tenure Actions

The report of Promotion and Tenure Actions is included in the Personnel Actions with the Board Agenda in the Office of the Secretary of the Board of Trustees.

On a motion by Mr. Weiss, supported by Mr. Traxler, **THE BOARD VOTED to approve** the Personnel Actions.

Promotion and
Tenure Actions

C. Appointment

President McPherson presented the following Appointment recommendation:

- 1) Huggett, Robert J., AN-Vice President for Research and Graduate Studies; Professor, Department of Zoology, \$140,000, with Tenure, effective September 1, 1997.

On a motion by Mr. Nugent, supported by Ms. Cook, **THE BOARD VOTED to approve** the appointment of Robert J. Huggett.

Appointment of
Vice President
for Research and
Graduate Studies

D. Information Reports

Information Reports of Academic Personnel Actions of April 25, 1997 and May 30, 1997 were distributed with the Board Agenda and are included with the agenda materials in the Office of the Secretary of the Board of Trustees.

Information
Reports

E. Resolution to Dr. Robert G. Gast

Chairperson Cook presented the following resolution in recognition of Dr. Robert Gast.

Be it resolved that the Board of Trustees commends Dr. Robert Gast for exemplary service in his capacity as Acting Vice President for Research and Graduate Studies. The University has benefitted through the years from Dr. Gast's leadership of research initiatives. During his two years as Acting Vice President he has brought vitality to the Office of the Vice President and has facilitated the work of the faculty across all colleges. Michigan State has been fortunate to have Dr. Gast as an outstanding member of our academic community.

On a motion by Ms. Cook, supported by Mr. Shingleton, **THE BOARD VOTED to approve** the resolution.

Dr. Gast thanked the Board for its generous recognition. He said he had enjoyed working with Board members and extended best wishes to them and his successor. Dr. Gast served on the Vice President search committee and said he enthusiastically endorses the appointment of Dr. Huggett.

Resolution to
Dr. Gast

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Gift, Grant and
Contract Report

7. Gift, Grant and Contract Report

Samuel J. and
Ethel LeFrak
Charitable
Foundation Gift

- A. Dr. Robert Gast, Acting Vice President for Research and Graduate Studies, presented the following report:

"You have before you a recommendation to approve a Gift, Grant and Contract Report for the period of March 29, 1997 through May 30, 1997 for a total value of \$40,655,760.36. Before we make a formal recognition of this, I would like to direct your attention to page 27 of that report to one special gift. That is a gift of \$1 million from the Samuel J. and Ethel LeFrak Charitable Foundation which establishes and provides funding for the LeFrak Forum at MSU. That forum will bring renowned speakers from around the world to Michigan State to discuss issues of democracy in a forum that is free and open to the University and the public. I just wanted to make special recognition and indicate that we appreciate that very generous gift. Mr. President, I recommend that this report be approved."

The report is included with the Board Agenda in the Office of the Secretary of the Board of Trustees.

On a motion by Trustee Donald W. Nugent, supported by Trustee Robert E. Weiss, **THE BOARD VOTED to approve** the Gift, Grant and Contract Report. The vote was unanimous, 7-0.

- B. Dr. Gast complimented Ms. Nancy Brent and staff members in the Division of University Relations for developing materials to promote MSU research. Ms. Brent and Ms. Suzanne Nichols, Science Editor, reported on those activities at the Trustee Policy Committee of the Whole meeting earlier in the morning.

Trustee Finance
Committee

8. The Trustee Finance Committee report and recommendations were presented by Committee Chairperson Nugent.

Bids and Contract
Awards

A. Bids and Contract Awards

Computer Center -
Replace Air
Conditioning System

- 1) a contract in the amount of \$352,988 be awarded to Architectural Image Construction & Equipment, Inc., and that a budget in the amount of \$430,000 be established for the project entitled: Computer Center -Replace Air Conditioning System in Second Floor.
- 2) a contract in the amount of \$378,762 be awarded to Benchley Builders, Inc., of Bay City, Michigan, and that a budget in the amount of \$450,000 be established for the project entitled: Spartan Stadium - Renovate Rest Rooms on North Lower Concourse.

Spartan Stadium -
Renovate Rest Rooms
North Lower
Concourse

B. Funds Functioning as Endowments

Funds Functioning
as EndowmentsFriends of Kresge
Art Museum

- 1) establishment of a fund functioning as endowment, the Friends of Kresge Art Museum.
- 2) establishment of a fund functioning as endowment, the Hospitality Business Faculty, Research, Development and Travel Fund.
- 3) establishment of a fund functioning as endowment, the MSU Safe Place.

Hospitality Business
Faculty, Research,
Development and
Travel Fund
MSU Safe Place

C. Land Transactions

Land Transactions

Frontage on Lake
Lansing

- 1) acceptance of a gift of approximately .76 acres from the MSU Sailing Club, Inc. The property is located in Meridian Township, Ingham County, with frontage on Lake Lansing.
- 2) acceptance by Michigan State University of the deed of 5.75 acres of land adjoining the Red Cedar Natural Area from the Michigan Department of Natural Resources.
- 3) enter into an agreement to sell to Pulte Homes approximately 52 acres of land for \$1,500,000 or \$28,846 per acre and that the University administration be authorized to take all necessary and advisable steps in furtherance of the sale.

Land Adjoining
Red Cedar Natural
AreaSale of Land to
Pulte Homes

On a motion by Mr. Nugent, supported by Ms. Cook, **THE BOARD VOTED to approve** the recommendations.

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Trustee Finance
Committee cont.

8. D. It was recommended to adopt the interim budget which will permit the operation of the University at 1996-97 budget expenditure levels until the 1997-98 budgets have been established.

Adopt Interim
Budget

The expenditure authorization will be as follows:

University General Fund	\$515,021,000
Michigan Agricultural Experiment Station	36,100,651
Michigan State University Extension	38,159,916
Intercollegiate Athletics Program	18,658,479

On a motion by Mr. Nugent, supported by Mr. Weiss, **THE BOARD VOTED to approve** the recommendation.

- E. It was recommended to adopt the Guidelines for the Development of the 1997-98 Budgets. In accordance with these guidelines, the administration is directed to develop the General Fund, Michigan Agricultural Experiment Station, Michigan State University Extension, and Intercollegiate Athletics budgets for submittal to the Board at the July meeting.

Guidelines for
Development of
1997-98 Budgets

On a motion by Mr. Nugent, supported by Mr. Weiss, **THE BOARD VOTED to approve** the recommendation.

- F. It was recommended that Clark Construction Company of Lansing, Michigan, be appointed as the Construction Manager for the Radiology Building and that a budget in the amount of \$9 million be established.

Clark Construction
Appointed as
Construction Manager
for Radiology
Building

It was further recommended that the administration be authorized to expand the scope of the project and to increase the budget amount to \$13.2 million in the event the College of Human Medicine is able to orchestrate a viable financial plan for a clinical research center, including space for the new Department of Epidemiology.

Administration
authorized to
expand scope of
project and increase
budget

An amendment to the recommendation was proposed by Mr. Weiss for the Board to review the building renderings, without disrupting proceedings, to be certain the exterior design is consistent with the Board's long-term intent.

The proposed amendment was approved.

On a motion by Mr. Nugent, supported by Mr. Weiss, **THE BOARD VOTED to approve** the amended recommendation.

- G. It was recommended to approve the resolution regarding amendment of the documents required for financing of the Animal Agriculture - Farm Buildings Modernization project (Project), to supplement the site legal descriptions previously approved for the Project.

Amend documents for
Financing of Animal
Agriculture - Farm
Buildings Moderni-
zation project

On a motion by Mr. Nugent, supported by Mr. Weiss, **THE BOARD VOTED to approve** the recommendation.

- H. Investment Restructuring

Investment
Restructuring

It was recommended to approve the following investment restructuring:

- 1) Emerging Markets Investments:

Emerging Markets
Investments

Allocation of additional \$2 million to Lazard Freres' Emerging Markets Portfolio.

- 2) Hedge/Arbitrage Investments:

Hedge/Arbitrage
Investments

Allocation of additional \$4 million (\$2 million each) to Emerald Partners and to Davidson Kempner.

On a motion by Mr. Nugent, supported by Mr. Shingleton, **THE BOARD VOTED to approve** the recommendations.

- I. Trustee Nugent reported on the discussion with representatives of Arthur Andersen & Co. to review the scope of the annual audit examination for the year ending June 30, 1997. Mr. Nugent also reported that the University had been notified that Snyder Capital Management, Inc., one of the University's equity managers, has entered into an agreement to affiliate with New England Investment Companies, L.P. ("NEIC").

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Trustee Policy
Committee of the
WholeFreedom of
Information Act
(FOIA) LegislationDe Minimus
OwnershipLATIC
Communications,
Inc.Animal
Diagnostics, Inc.
Dr. Robert W. BullAnimal
Diagnostics, Inc.
Dr. John A.
GerlachReport on research
promotional plan
for MSU ResearchChairperson's
Report and Trustee
CommentsChairperson's
Report

9. President McPherson presented the report of the Trustee Policy Committee of the Whole.

A. Freedom of Information Act (FOIA) Legislation

Be it Resolved, that the President, or his/her designee, is hereby delegated the responsibility to determine written appeals of denials of Freedom of Information Act ("FOIA") requests in accordance with FOIA Section 10(2), and

Be it further Resolved, that the President is hereby directed to establish such procedures as the President may determine necessary or appropriate relating to such appeals.

On a motion by Ms. Cook, supported by Mr. Traxler, **THE BOARD VOTED to approve** the recommendation.

B. De Minimus Ownership

- 1) It was recommended to delegate to the President the authority to enter into an agreement with LATIC Communications, Inc. (Dr. Lionel M. Ni)
- 2) It was recommended to delegate to the President the authority to enter into an agreement with Animal Diagnostics, Inc. (Dr. Robert W. Bull)
- 3) It was recommended to delegate to the President the authority to enter into an agreement with Animal Diagnostics, Inc. (Dr. John A. Gerlach)

On a motion by Ms. Cook, supported by Mr. Weiss, **THE BOARD VOTED to approve** the recommendations.

- C. At the Committee of the Whole meeting, Assistant Vice President Nancy Brent introduced Ms. Suzanne Nichols, Science Editor in the Division of University Relations, who reported on a research promotional plan to raise awareness of MSU research.

- D. Ms. Cook recognized FOIA officer Marjorie Keys for the volume of Freedom of Information requests that are processed by that office.

10. Chairperson's Report and Trustee Comments

A. Chairperson Cook commented as follows:

- 1) Ms. Cook welcomed Vice President Wilkinson back and thanked Mr. Stephen Terry for admirably managing responsibilities during Mr. Wilkinson's absence.
- 2) Ms. Cook called on Dr. Maureen McDonough, Chair of the Steering Committee of Academic Council and Chair of the Faculty Liaisons, to comment.

Dr. McDonough reported that many significant actions had been moved through the governance system to the Board of Trustees during the past few years. She noted the importance of the collegiality that had developed between the faculty and Trustees and an increased understanding of what each group contributes to Michigan State. Dr. McDonough expects improved faculty salaries and post-tenure review to be among issues coming before governance and the Board. She expressed hope that the relationship between faculty and Trustees would be maintained.

Ms. Cook complimented Dr. McDonough for creating an environment for more open discussions. President McPherson remarked that he and Provost Simon were appreciative of Dr. McDonough's leadership. Dr. McDonough thanked Chairperson Cook and President McPherson for their kind words.

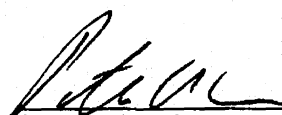
- 3) Chairperson Cook commented on the tour of the law school building and commended Dr. Chuck Webb, Ms. Cindy Herfindahl, and others who were involved with the generous gift for the business library. Ms. Cook stated that the east side of campus will be greatly enhanced by the beauty of the building. Trustee Weiss supported Ms. Cook's comments.

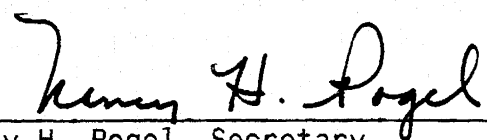
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- B. Trustee Traxler remarked on the beauty of north campus and said he looks forward to the development of south campus. He credited Trustee Shingleton with the comment that one of the major responsibilities of Trustees is to pass on to succeeding generations the beauty of the University that has been inherited from their predecessors.
 - C. Trustee Nugent reported that he was honored to join Trustee Traxler at the MSU Foundation Board meeting in Traverse City. He said it was a pleasure to see so many people involved in activities on behalf of the University and he is delighted to join them when they visit his part of the State.
 - D. Trustee Weiss reported that he had the privilege of attending a Sons of Italy dinner in honor of Mr. Peter Secchia that was held in Washington, D. C. Mr. Weiss said the tradition exhibited at that event is the same heritage that must be preserved at the University. Mr. Weiss said you can be modern without forgetting where you came from, what you are about, and what your values are.
 - E. Trustee Shingleton thanked Trustees Traxler and Weiss for their comments about being mindful of and continuing to protect the heritage of the University so that it can be passed on to those who succeed them.
11. The following individual addressed the Board of Trustees on an issue not germane to the agenda.
- A. Mr. Terry Whiteman described his experiences as a student in the College of Human Medicine. He would like to facilitate dialogue in order to resolve issues.
12. President McPherson reported there had not been a request for the Board to meet in Executive Session.
- On a motion by Mr. Ferguson, supported by Mr. Traxler, the Board voted to adjourn at 11:35 a.m.
13. University officers and administrators, faculty liaisons, and student liaisons joined Board members at lunch.

Trustee Comments

Public Participation
Germane to AgendaRequest for
Executive Session -
None


Peter McPherson, President


Nancy H. Pogel, Secretary